

City of Wyoming, Michigan

**Additional Reports Required by
OMB Circular A-133**
Year Ended June 30, 2004

City of Wyoming, Michigan

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**Report on Internal Control Over Financial
Reporting and on Compliance and Other
Matters Based on an Audit of Financial
Statements Performed in Accordance
With Government Auditing Standards**





Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Wyoming
Wyoming, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Wyoming, Michigan as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Wyoming's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wyoming's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions

was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Wyoming in a separate letter dated October 14, 2004.

This report is intended solely for the information of the City Council, management and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

BDO Seidman, LLP

Grand Rapids, Michigan
October 14, 2004

**Report on Compliance With
Requirements Applicable to Each
Major Program and Internal Control
Over Compliance in Accordance
With OMB Circular A-133**



Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Wyoming
Wyoming, Michigan

Compliance

We have audited the compliance of the City of Wyoming, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The City of Wyoming's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Wyoming's management. Our responsibility is to express an opinion on the City of Wyoming's compliance based on our audit.

The City of Wyoming's basic financial statements include the operations of the Wyoming Housing Commission, which expended \$6,198,102 in federal awards, which is not included in the City's schedule of expenditures of federal awards for the year ended June 30, 2004. Our audit, described below, did not include the operations of the Wyoming Housing Commission because the component unit's audit in accordance with OMB Circular A-133 was performed separately and a separate report was issued.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Wyoming's compliance with those requirements.

In our opinion, the City of Wyoming complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the City of Wyoming is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Wyoming's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Wyoming as of and for the year ended June 30, 2004, and have issued our report thereon dated October 14, 2004. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Wyoming's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the City Council, management and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

BDO Seidman, LLP

Grand Rapids, Michigan
October 14, 2004

Schedule of Expenditures of Federal Awards



<i>Year ended June 30, 2004</i>	Federal CFDA Number	Program or Award Amount	Accrued (Deferred) Revenue at July 1, 2003
Federal Grantor/Pass-Through Grantor/Program/Project Number			
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218		
B-01-MC-26-0020		\$ 565,000	\$ 27,247
U.S. Department of Commerce			
EDA Grant - Byron Center Relocation	11.300		
06-01-04531		540,000	43,455
U.S. Department of Justice			
Passed through Michigan Department of Community Health:			
Drug Control (MET)	16.579		
70973-2K02		37,964	8,948
20041358		41,255	-
			8,948
Wyoming Neighborhood Enforcement Team	16.579		
70905-3K02		36,861	3,457
70905-4-03-B		31,491	-
			3,457
Exodus Life Change	16.579		
72027-1K02		196,030	21,312
Total passed through Michigan Department of Community Health			33,717
Direct program:			
Local Law Enforcement Block Grant	16.592		
2002LBBX0854		75,856	(62,312)
2003LBBX0018		54,001	-
			(62,312)
Total U.S. Department of Justice			(28,595)

City of Wyoming, Michigan

Schedule of Expenditures of Federal Awards

Adjustment	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2004
\$ (935,724) ^A	\$ 27,247	\$ 1,003,307	\$ 67,583
-	43,455	-	-
-	18,656	9,708	-
-	17,026	29,069	12,043
-	35,682	38,777	12,043
-	7,017	3,560	-
-	23,944	27,100	3,156
-	30,961	30,660	3,156
-	57,722	36,410	-
-	124,365	105,847	15,199
-	-	62,260	(52)
-	54,001	13,855	(40,146)
-	54,001	76,115	(40,198)
-	178,366	181,962	(24,999)

<i>Year ended June 30, 2004</i>	Federal CFDA Number	Program or Award Amount	Accrued (Deferred) Revenue at July 1, 2003
U.S. Department of Transportation			
Passed through Michigan State Police:			
State and Community Highway Safety	20.600		
OP-03-14		\$ 98,419	\$ 51,724
PT-04-03		96,072	-
			51,724
Federal Emergency Management Agency			
Passed through Michigan State Police:			
Hazard Mitigation	83.548		
West Crippen - 1237.015		288,697	-
U.S. Environment Protection Agency			
Vulnerability Assessment	66.476	115,000	16,343
U.S. Department of Health and Human Services			
Passed through Area Agency on Aging of Western Michigan:			
Title III B (Congregate)	93.044		
Go Bus - 02/03		12,200	683
Go Bus - 03/04		12,200	-
			683
Total Federal Financial Assistance			\$ 110,857

^A Program income offsetting related current year expenditures (see Note 2).

City of Wyoming, Michigan

Schedule of Expenditures of Federal Awards

Adjustment	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2004
\$ -	\$ 51,724	\$ -	\$ -
-	39,944	84,706	44,762
-	91,668	84,706	44,762
-	23,147	23,147	-
-	57,718	41,375	-
-	2,546	1,863	-
-	8,824	9,846	1,022
-	11,370	11,709	1,022
\$ (935,724)	\$ 432,971	\$ 1,346,206	\$ 88,368

**Notes to
Schedule of Expenditures
of Federal Awards**

City of Wyoming, Michigan

Notes to Schedule of Expenditures of Federal Awards

1. General

Expenditures are recorded under the modified accrual method of accounting. Revenues are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met.

**2. CDBG Program
Income**

In 2003, the City of Wyoming, Michigan sold property that was originally financed with HUD funds. In accordance with 24CFR, the proceeds were retained as program income and have been applied to current year expenditures.

Schedule of Findings and Questioned Costs

City of Wyoming, Michigan

Schedule of Findings and Questioned Costs Year Ended June 30, 2004

Summary of Auditors' Results

The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Wyoming.

The audit did not disclose any noncompliance which is material to the basic financial statements of the City of Wyoming.

The auditors' report on compliance for major programs of the City of Wyoming expresses an unqualified opinion.

The audit did not disclose any findings relative to major programs that are required to be reported herein in accordance with OMB Circular A-133.

The City had one major program: Community Development Block Grant (CFDA No. 14.218).

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

The City of Wyoming qualified as a low-risk auditee.

Findings Related to the Financial Statements

There were no findings which are required to be reported under *Government Auditing Standards*.

Findings and Questioned Costs for Federal Awards

There were no findings or questioned costs.